

Maryland E-Nnovation Initiative Fund Authority
Wednesday, December 12, 2016
10:30 a.m. – 1:00pm

Maryland Department of Commerce
401 East Pratt Street
17th Floor Conference Room
Baltimore, MD 21202

The Maryland E-Nnovation Initiative Fund Authority (“MEIFA” or the “Authority”) convened a meeting at 10:30a.m. on December 12, 2016 at the offices of the Maryland Department of Commerce, 401 East Pratt Street, 17th Floor, Baltimore, Maryland 21202. A quorum was present.

Members:

Robert Hallenbeck, Chairman
Robert Caret, Chancellor, University System of Maryland
John Wasilisin, President & Chief Operating Officer, TEDCO
Andy Jones, Managing Director, Maryland Venture Fund, TEDCO
Bret Schreiber, Designee of the Secretary of the Maryland Department of Commerce

Staff, Guests and Representatives:

Lara Hjortsberg, AAG for the Maryland Department of Commerce
Kris Shock, Senior Director, Strategic Industries & Entrepreneurship, Maryland Department of Commerce
Delterese George, Strategic Industries & Entrepreneurship, Maryland Department of Commerce
Thomas Luginbill, College of Southern Maryland (by phone)
Michelle Goodwin, College of Southern Maryland (by phone)

Call Meeting to Order:

Chairman Hallenbeck called the meeting to order at 10:30 a.m. It was noted that the only order of business for the closed session was to review applications submitted to the Authority by the Second Submission Date (November 1, 2016).

Roll Call: Introduction of Authority Members and Others in Attendance:

Chairman Hallenbeck took roll of the participants in attendance and the individuals in attendance in person and on the phone introduced themselves.

Review and Approval of previous Meeting Minutes:

The minutes of the September 28, 2016 meeting were reviewed. After motion duly made and seconded, the Authority members unanimously approved the minutes for the meeting held on September 28, 2016, subject to the correction of a typographical error on page three of the draft minutes.

Application Updates and General Discussions

Chairman Hallenbeck asked Mr. Bret Schreiber to provide the Authority with an update on proposed legislation to be introduced on behalf of the Authority during the 2017 Legislative Session of the Maryland General Assembly. Mr. Schreiber explained that the need for the proposed legislation arose from issues raised during the September 28, 2016 meeting of the Authority and that the purpose of the bill is to create a more diverse group of institutions applying for the E-Nnovation funds. To that end, Mr. Schreiber noted that one of the major challenges put forth by many of the smaller institutions, including those institutions present at the last meeting, is the difficulty satisfying the 90-day deposit deadline currently included in the existing statute. Mr. Schreiber stated that the bill would allow greater flexibility for meeting the qualified donations threshold through the use of other unrestricted funds available to the institutions from other sources. Ms. Lara Hjortsberg explained that the statute currently excluded three types of funds from the definition of qualified donation and that those funds were similarly excluded from the other unrestricted funds that could be used in satisfying the 90-day deposit requirement: (a) educational or general funds, auxiliary fees, or other student fees generated by the institution, (b) proceeds from promissory notes, bonds, loans, or other debt instruments issued by the institution, or (c) any other funds received from the State or federal government. Mr. Schreiber advised that the legislation would potentially be introduced by the Administration or alternatively by legislative sponsors.

Budget Status Update

Chairman Hallenbeck discussed the budget parameters for the application requests before the members of the Authority. It was noted that a total of \$4.068 million was available in the budget to be allocated to applications under consideration at the meeting but that the applications requested funds (\$5.250 million) in excess of that amount. Chairman Hallenbeck then presented two options for consideration by the members of the Authority: (1) reduced each approved application by a *pro rata* amount; or (2) determine which applications to fully fund and decline the approval of certain others.

The Authority members discussed the existing regulatory cap for awarding funds to institutions, along with a status update as to which institutions had a cap applicability, during which the following was noted:

- Johns Hopkins University – \$737,500 below the cap;
- University of Maryland, Baltimore – \$1.1 million below the cap;
- University of Maryland, College Park – reached regulatory cap and is not eligible for additional funding during this fiscal year unless other institutions are not awarded E-Nnovation funds during this second funding cycle.

It was noted that under the statute and the regulations established by the Authority, those institutions that have reached the cap can only be awarded additional funds if all funds have not been awarded after review and approval of submitted applications by other institutions; that if a qualified institution has already reached its cap, then that institution would be added to the end of the group of proposals being considered; but that if the same institution is one of the only remaining institutions in consideration, the Authority will consider granting the requested or remaining funds to that institution.

Mr. Schreiber informed the Authority that a request was made on behalf of the Authority to add the \$1 million that was returned by Morgan State University to the current fiscal year 2017 budget but that the Department of Budget and Management, citing the timing for which the funds were returned, rejected the request such that the funds will be reallocated in the fiscal year 2018 budget.

Approval of Closed Session

At 10:45 a.m., Chairman Hallenbeck stated that the meeting should be closed in order for the Authority to discuss the applications and amendments. At Chairman Hallenbeck's request, Ms. Hjortsberg stated that the statutory reason for closing the meeting was §3-305(b)(13) of the Open Meetings Act, to comply with specific statutory requirement that prevents public disclosure about a particular proceeding or matter. Ms. Hjortsberg noted that the applications included financial information of private individuals (donors), which is information protected from disclosure under §4-336 of the Maryland Public Information Act. Ms. Hjortsberg stated that Chairman Hallenbeck had signed the Presiding Officer's Written Statement for Closing a Meeting under the Open Meetings Act, which is attached to these minutes as an exhibit. (

Upon motion duly made and seconded, it was unanimously,

RESOLVED, that the Authority move into Closed Session in accordance with §3-305(b)(13) of the Open Meetings Act (OMA) to discuss the applications received by the Authority, which applications include financial information of private individuals.

Mr. Luginbill and Ms. signed off of the call at this time. The following members (and designees) of the Authority were present during the closed session: Mr. Hallenbeck, Dr. Caret, Mr. Wasilisin, Mr. Jones, and Mr. Schreiber. Ms. Hjortsberg, Ms. Shock and Ms. George also remained during the closed session.

Resumption of Open Session

The open session of the meeting resumed at noon.

Chairman Hallenbeck announced the following decisions made in closed session:

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- Hood College, Endowed Chair in Advanced Bioproducts Research and Education (\$1,000,000) – APPROVED, subject to pro rata reduction of 4.37%
- Stevenson University Stevenson University Distinguished Professor in Nursing Research, (\$1,250,000) – APPROVED, subject to pro rata reduction of 4.37%
- University of Maryland, Baltimore, Drs. Angela and Harry Brodie Distinguished Professorship in Translational Cancer Research (\$1,000,000) – APPROVED, subject to pro rata reduction of 4.37%
- Washington College, Chair in Sustainable Food Systems/Eastern Shore Food Lab (\$1,000,000) – APPROVED, subject to pro rata reduction of 4.37%.
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- College of Southern Maryland, Endowment for Entrepreneur and Innovation Institute (\$500,000) – NOT APPROVED
- Johns Hopkins University, The Lou Brown Faculty Scholar (\$1,000,000) – NOT APPROVED

Dates for Next Meetings

The Authority members determined that the dates for the next two meetings of the Authority would be as follows.

- April 18th, World Trade Center, Baltimore – 10:00 a.m. - 11:30 a.m.
- June 15th Columbus Center 10:00 a.m. - 12:30 p.m.

There being no further business, a motion to adjourn was entered, seconded and approved unanimously at 12:15 p.m.